



To: All CDBG & HOME Recipients
From: IHFA Federal & State Programs
Date: September 1, 1998
Re: Section 3 Reporting

Notice: FSP-98-14

This notice is being distributed to clarify issues surrounding the Section 3 reporting form (Table 7) of IHFA's Grantee Semi-Annual Performance Report. This form compiles information on Section 3: Economic Opportunities for Low and Very Low Income Persons.

Questions #1 through #3 on the Section 3 reporting form were designed to assist grantees in determining:

- (1) if you are required to document Section 3 activities with respect to the specific HOME or CDBG award on which you are reporting;
- (2) if you are required to document Section 3 activities for all open HOME or CDBG awards; and
- (3) if you must report on Section 3 activities with respect to contracts exceeding \$100,000.

Please note that if you have responded "yes" to question #1, you must also respond "yes" to question #2. For example, a grantee has three separate CDBG awards as illustrated in the table below. When completing the semi-annual report for HD-980-555, the grantee would respond "yes" to question #1, since the award exceeds \$200,000. The grantee must also respond "yes" to question #2, since the other awards, when aggregated with the first award (for a total of \$350,000), also exceed \$200,000.

| <u>Award Number</u> | <u>CDBG Amount</u> |
|---------------------|--------------------|
| HD-980-555 | \$250,000 |
| HD-970-555 | \$50,000 |
| HD-960-555 | \$50,000 |

If a grantee responds "yes" to question #1, #2, or #3, the grantee *must* complete the table on the bottom half of the form which requests detailed information regarding staff of the grantee, subrecipient, and/or contractors with contracts exceeding \$100,000.

In the columns requesting "Total # of employees" and "Total # of employees that are Section 3," you should include only those employees that are doing work associated with the HOME or CDBG award. For example, a local unit of government grantee would need to include its Clerk-Treasurer that is responsible for financial management of the award, but it would not include the Police Chief that has no involvement whatsoever with the award.

If you have any questions regarding this information, please contact your Compliance Specialist.

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